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Producers 88 (4-89) --- Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT Is made this 211 day of 3000	2008, by and between
United Land Holdings Ltd.	
whose addresss is 510 W Magnolia, Fort worth, Tx, 76104 as Lessor,	
and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870, Dallas, Texas 75201, as Lessee.	All printed portions of this lease were prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jo 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby g	omity by Lessor and Lessee.  Irants, leases and lets exclusively to Lessee the following.
described land, hereinafter called leased premises:	,, ,
	~~~
(165) ACRES OF LAND, MORE OR LESS, BEING LOT(S). 8	BLOCK 97
OUT OF THE POLYTECHNIC HEIGHTS ADDITION	ADDITION, AN ADDITION TO THE CITY OF
Fort Worth TARRANT COUNTY, TEXAS, ACCORD	DING TO THAT CERTAIN PLAT RECORDED
IN VOLUME (43 PAGE 109 OF THE PLAT RECOI	RDS OF TARRANT COUNTY, TEXAS.
THE TOTAL OF THE PERMITED OF	
5 J. C	
in the County of Tarrant, State of TEXAS, containing 0, 145 gross acres, more or less (including a	any interests therein which Lessor may hereafter acquire by
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil of	and gas, along with all hydrocarbon and non hydrocarbon
substances produced in association therewith (including geophysical/seismic operations). The term "gas" as commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease	e also covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are continuous or adjacent to the above-described leased premise	s, and, in consideration of the aforementioned cash bonus,
Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or a	ocurate description of the land so covered. For the purpose
of determining the amount of any shul-in royalities hereunder, the number of gross acres above specified shall be d	
2. This lease, which is a "pald-up" lease requiring no rentals, shall be in force for a primary term of $\cancel{\text{hu}}$	e (5) years from the date hereof, and for
as long thereafter as off or gas or other substances covered hereby are produced in paying quantities from the lea-	
otherwise maintained in effect pursuant to the provisions hereof.	
3. Royallies on oil, gas and other substances produced and saved hereunder shall be paid by Lassae to L	essor as follows: (a) For oil and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be <u>+ wenty - Five percept</u> 2.5 % Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee sh	all have the confinuing right to purchase such production at
the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the sa	ame field, then in the nearest field in which there is such a
prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and a	ill other substances covered hereby, the royalty shall be
twenty - the percent (15%) of the proceeds realized by Lessee from the saie the	ereof, less a proportionale part of ad valorem taxes and
production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or other Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid to	or production of similar quality in the same field (or if there is
no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price)	pursuant to comparable purchase contracts entered into on
the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if	at the end of the primary term or any time thereafter one or
more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other su are waiting on hydrautic fracture stimulation, but such well or wells are either shut-in or production there from is not	
be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 co	
there from is not being sold by Lessee, then Lessee shall pay shut-in royally of one dollar per acre then covere	ed by this lease, such payment to be made to Lessor or to
Lessor's credit in the depository designated below, on or before the end of sald 90-day period and thereafter on or	
while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in	
following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render	
terminate this tease.  4. All shut-in royally payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in	at language address about or its successors which shall
be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments	
draft and such payments or tenders to Lessor or to the depository by deposit in the US Malls in a stamped envelopment	ope addressed to the depository or to the Lessor at the last
address known to Lessee shall constitute proper payment. If the depository should ilquidate or be succeeded by	
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming ar 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in p	
premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently cease	es from any cause, including a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this	
nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an addition the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole of	
the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but	Lessee is then engaged in drilling, reworking or any other
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long	
no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas there is production in paying quantities from the leased premises or lands pooled therewith. After completion of	
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent of	
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the lease	
leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith.  additional wells except as expressly provided herein.	there shall be no covenant to drill exploratory wells or any
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest	est therein with any other lands or interests, as to any or all
depths or zones, and as to any or all substances covered by this lease, either before or after the commencement	ent of production, whenever Lessee deems it necessary or
proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authounit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a n	
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a large	
completion to conform to any well spacing or density pattern that may be prescribed or permitted by any government	
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well".	
feet or more per barrel, based on 24-hour production test conducted under normal producing conditions usin	
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the	gross completion interval in facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gro	
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration of Production, drilling or reworking operations anywhere on a unit which includes all or any part of the lessed pri	
reworlding operations on the leased premises, except that the production on which Lessor's royalty is calculated s	shall be that proportion of the total unit production which the
net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only	
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall unit formed hereunder by expansion or contraction or both, either before or after commencement of production,	
prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreasy	
making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the	e effective date of revision. To the extent any portion of the
leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production the polymerate proportion of unit production in the proportion of unit production in the proportion of unit production in the proportion of unit production.	
<ul> <li>be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessati</li> </ul>	on mereor, cessee may terminate the thirt by ming of record

be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filling of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises ceroibed in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or bereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased

writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease and covering all or a portion of the land described herein, with the lease be

essor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder for a period of at least 20 days.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shuth royalties or otherwise payable to Lessor hereafter. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

cuted in counterparts, each of which is deemed an original and all of which only constitute one original 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which I essee has or may negotiate with any other lessors of large owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	
*	
Rand J. Will.	
Farmand T. Williams	
Ac Morter of ULH-GA, LLC, general partner of	
As: Member of ULH-GP, LLC, general partner of United Land Holdings, Ltd.	
ACKNOWLEDGN	MENT
STATE OF /exas	
COUNTY OF <u>TarranT</u> This instrument was acknowledged before me on the Z day of <u>TarranT</u> Raymand T Williams	
This instrument was acknowledged before me on theday of	<u>in e</u> , 2008, by:
Raymond / Williams	
(Name of Pérson Signing)	Thomas C Elich
AY PUL	Notary Public, State of 78xas
Thomas C Elich	Notary's name (printed):
My Commission Expires 05/19/2009	Notary's commission expires:
4) OF 10 03/19/2009	
<del>-</del>	
STATE OF	
COUNTY OF	
This instrument was acknowledged before me on theday of	, 2008, by:
(Name of Danson Cinning)	
(Name of Person Signing)	
	Notary Public, State of
	Notary's name (printed):
	Notary's commission expires:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

Filed For Registration: 06/17/2008 11:42 AM
Instrument #: D208231897
LSE 3 PGS \$20.00

D208231897

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